

## Message Text

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15

ORIGIN TRSE-00

INFO OCT-01 AF-06 EUR-12 EA-07 IO-11 ISO-00 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 ITC-01 /110 R

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EA/J:DSMITH

AF/S:DCHRISTENSEN

L/EA:CROH

ORF/ICD/ISM:BMILLER

RUR/RPE:RBRESLER

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R 030056Z MAR 76

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY BONN

AMEMBASSY TOKYO

AMEMBASSY PRETORIA

INFO AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

USMISSION OECD PARIS

USMISSION GENEVA

USDEL MTN GENEVA

AMCONSUL CAPE TOWN

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CAPE TOWH FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, EC, UK, GW, BE, JA, SF

SUBJECT: LITIGATION ON NEGATIVE COUNTERVAILING DUTY  
DECISIONS

1. UTILIZING PROCEDURES MADE AVAILABLE FOR FIRST TIME  
UNDER TRADE ACT OF 1974, U.S. STEEL CORP., ON FEBRUARY 18,  
1976, FILED SUMMONS IN U.S. CUSTOMS COURT TO INITIATE  
ITS CHALLENGE IN THE COURTS OF THE TREASURY DEPARTMENT'S  
DECISION NOT TO INVESTIGATE CHARGES THAT REBATES OF VALUE  
ADDED TAXES ON STEEL PRODUCTS FROM BELGIUM, FRANCE,  
ITALY, LUXEMBOURG, THE NETHERLANDS, THE UNITED KINGDOM,  
AND WEST GERMANY, REQUIRE IMPOSITION OF COUNTERVAILING  
DUTIES. LITIGATION PROCESS NOT RPT NOT ACTIVELY UNDERWAY  
SINCE U.S. STEEL DID NOT FILE "COMPLAINT" WHICH WOULD  
REQUIRE GOVERNMENT TO RESPOND WITHIN SIXTY DAYS. U.S.  
STEEL HAS TWO YEARS WITHIN WHICH TO FILE COMPLAINT AND IT  
IS NOT KNOWN WHEN OR IF THEY ARE LIKELY TO DO SO. THE

LITIGATION WOULD CHALLENGE THE POLICY OF THE TREASURY  
FOR MORE THAN SEVENTY YEARS THAT REBATES OF INDIRECT TAXES  
DIRECTLY RELATED TO THE EXPORTED PRODUCT ARE NOT BOUNTIES

OR GRANTS WITHIN THE MEANING OF THE LAW.

2. ADDITIONALLY, THE U.S. COMPANIES WHO WERE PETITIONERS  
IN FIVE COUNTERVAILING DUTY INVESTIGATIONS WHICH RESULTED  
IN NEGATIVE DETERMINATIONS, AGAIN UTILIZING NEW  
PROVISIONS OF THE TRADE ACT, HAVE FILED WITH TREASURY  
NOTICE OF THEIR DESIRE TO CONTEST SUCH DETERMINATIONS.  
THE CASES ARE FLOAT GLASS FROM THE U.K., BELGIUM AND  
WEST GERMANY, FERROCHROME FROM SOUTH AFRICA AND ELECTRONIC  
PRODUCTS FROM JAPAN (WHICH INVOLVES AMONG OTHER  
QUESTIONS THE REBATE OF THE JAPANESE COMMODITY TAX AND  
THUS RAISES THE SAME GENERAL ISSUE ON INDIRECT TAXES AS IS  
RAISED IN U.S. STEEL CASE). TREASURY, AS REQUIRED BY LAW,  
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SHORTLY WILL PUBLISH IN FEDERAL REGISTER NOTICE OF RECEIPT  
OF THESE COMMUNICATIONS FOLLOWING WHICH PETITIONERS HAVE  
THIRTY DAYS TO COMMENCE ACTION IN THE CUSTOMS COURT.  
WE WILL ADVISE APPROPRIATE POSTS WHEN SUCH ACTIONS ARE  
INITIATED. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LITIGATION, INVESTIGATIONS, COUNTERVAILING DUTIES, STEELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Handling Restrictions:** n/a  
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**TAGS:** ETRD, EC, UK, GE, BE, JA, SF, US  
**To:** EC BRUSSELS MULTIPLE  
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